



Executive Summary – Responsible Investment

On behalf of PRI

Fieldwork: 18th – 25th June 2015

Prepared by: Alice Kerry



Executive Summary of Key Findings:

Introduction

This Key Findings report is based on the results from PRI ‘Responsible Investment’ survey; fieldwork was undertaken between 18th and 25th June 2015. The survey questions were asked to a starting sample of 8,287 adults aged 18+ in the UK (n=2,121), the US (n=1,119), France (n=1,025), Japan (n=1,001), Brazil (n=1,010), Australia (n=1,010) and South Africa (n=1,001). Subsequent questions were filtered to those holding either a work or personal pension (or both): UK n=1,393, US n=459, France n=98, Japan n=642, Brazil n=279, Australia n=361, South Africa n=512. This survey was conducted online¹. Figures have been weighted and are representative of all adult in each market. In Brazil and South Africa it is important to note that due to the online methodology and availability/ speed of broadband, respondents will be mainly from urban areas.

Sample

For this nationally representative survey² YouGov used a sophisticated sampling matrix, which draws a random sample of representative respondents based on age, gender, region where they live (plus in the UK/ US some attitudinal demographics – e.g. newspaper readership, financial status, education, race – were used to ensure that the correct profile of respondents were invited to participate). The pre-selected respondents were emailed and invited to take part in the survey and, according to the responses received, a small weighting factor was applied to address any imbalances in the sample at the analysis stage.

Background

The survey was conducted by YouGov on behalf of PRI to investigate people’s awareness of, and attitudes towards the companies in which their pension funds are invested. The survey also looked at people’s relationships with their fund manager and their views towards the information they receive.

¹ Please be aware that YouGov is an online research agency and all of our respondents are regular Internet users.

² Although our total ‘panel’ of respondents is not an exact representation of the British public, it does contain enough people in each major demographic group to draw samples that do represent the population as a whole. This is because:

- our pool is sufficiently large to capture Britain’s diversity;
- the company’s recruitment strategy seeks to maximise the chances of obtaining a broadly-based panel; and
- the internet itself has now reached all parts of British society.

Key Findings

Pension funds

- **The UK and Japan have the highest proportion of adults with pension out of the seven countries surveyed, with over three fifths (63%) of respondents in each market holding either a work pension, personal pension, or both.**
 - The UK has the highest proportion of adults with a work pension at over two fourths (43%) of respondents.
 - Almost a third (29%) of Japanese respondents have a personal pension, and it has the highest proportion of adults with both a work and personal pension (13%).
 - France (79%), and Brazil (65%) have the highest number of respondents who do not have a pension fund at all.
- **Only a third of pension holders in the UK know any of the companies their pension fund is invested in (33%).**
 - Awareness of the companies their pension fund is invested in rises to over three fifths of pension holders in South Africa (62%) and Australia (64%).
 - Japan has the lowest respondent awareness of the companies their pension is invested (23%).

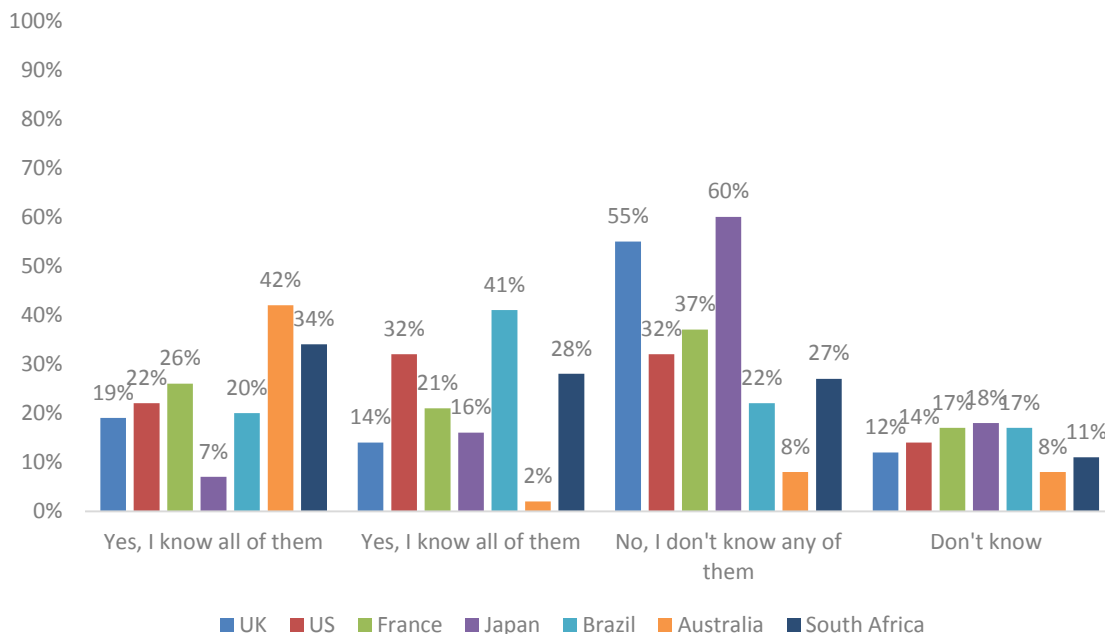


Figure 1:

Your pension provider(s) invest the money that you save in your pension fund in other companies with the aim of increasing its value. Do you know which companies your pension fund is invested in?

Environmental, social, or governance issues

- **The importance of companies their pension fund is invested in not contributing to the burning of fossil fuels which link to climate change divided opinion between the seven countries surveyed.**
 - Pension holders in Brazil were the most likely to consider this as an important issue (83%), while those surveyed in the UK were the least likely to view this as important (50%)
 - South Africa is the only country apart from Brazil (63%) where over half of pension holders (51%) consider it ‘very’ important that the companies their pension fund is invested in do not contribute to the burning of fossil fuels which link to climate change.

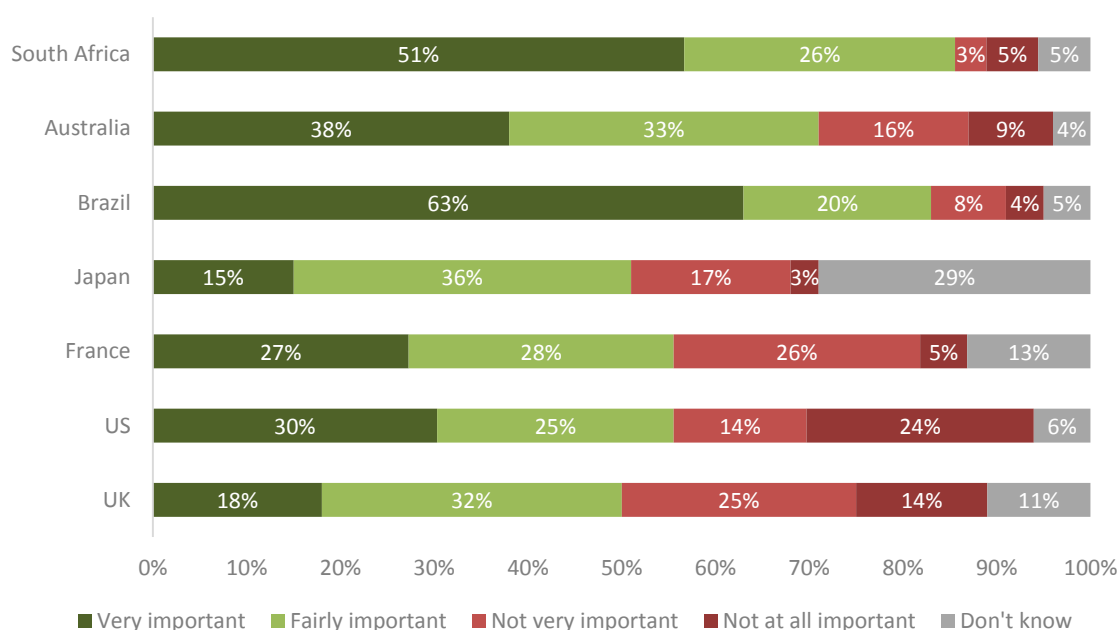


Figure 2. How important, if at all, is it to you that the companies in which your pension fund is invested in don't participate in each of the following environmental, social or governance issues?
- Burning of fossil fuels which link to climate change

- **The opinions regarding tax and salaries are less divisive, but the majority of pension holders in the countries surveyed agreed that it is important the companies their pension is invested in should not exploit tax loopholes or pay CEOs too high a salary.**
 - France has the smallest proportion agreeing it is important that companies their pension fund is invested in do not exploit tax loopholes (60%), whilst South Africa has the highest (78%).
 - Japan are least likely to think it important that companies their pension fund is invested in do not pay CEOs too high a salary (63%), whilst Australia and South Africa are most likely (77%).
- **Respondents in all countries surveyed felt strongly that the companies their pension fund is invested in should not participate in child labour.**
 - Japan has the smallest proportion of respondents who think it is important the companies their pension fund is invested in do not participate in child labour, though this is still more than half (56%).
 - Nearly nine tenths of respondents in both Australia and South Africa (88%) think that this issue is important, with over three quarters (77%) of pension holders in South Africa stating that it is ‘very’ important to them.

- **In line with the specific issues outlined above, agreement with the statement ‘How a company manages environmental, social, or governance issues gives an insight into how the company is run and any possible impacts this may have on my pension’ shows a difference of opinion between the pension holders of each country.**
 - 95% of pension holders in Brazil agree that the management of environmental, social, or governance issues gives an insight into how a company is run and the possible impact on their pension, compared with only just over half (54%) of pension holders in Japan.

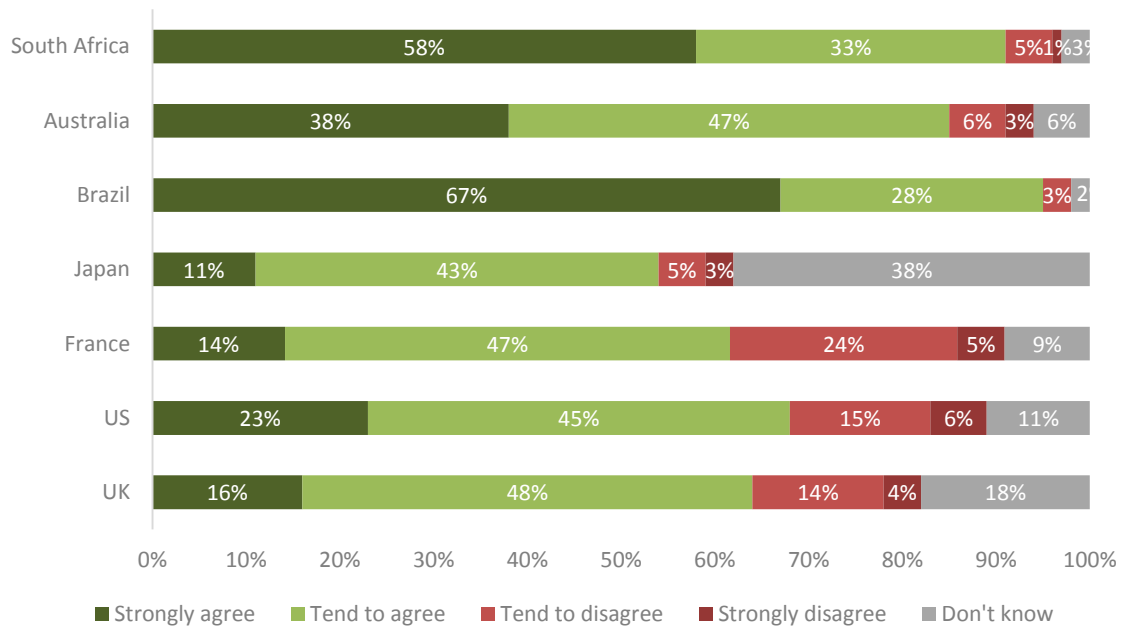


Figure 3. To what extent do you agree or disagree with the following statement? “How a company manages environmental, social, or governance issues gives an insight into how the company is run and any possible impacts this may have on my pension”

- Over nine tenths of pension holders in Brazil (92%) are concerned that any of the companies their pension fund is invested in might be involved in something which would have a negative impact on the company and therefore their final pension (e.g. dumping toxic waste, manipulating tax exposure etc.). France and the UK are both the least concerned in this regard, with only 57% of pension holders in each country saying they were either ‘very’ or ‘fairly’ concerned.

Pension Fund Management

- **When thinking more generally about the management of their pension fund, respondents from all countries surveyed thought it was mainly the responsibility of their fund manager to ensure they are kept up to date with news and decisions about their pension, the exception to this being the US where 39% felt they were equally as responsible.**
 - Respondents in Japan were the least likely to consider it a personal responsibility as only 7% of pension holders thought they should be mainly responsible, compared to a quarter (25%) of Brazilian pension holders.

- Pension holders in the US were most likely to receive communication from their fund manager at least once a quarter (32%), compared to only 4% in Japan and 8% in the UK. Almost half (49%) of respondents in the UK said the only communication they received was their annual statement.**
 - Those in Brazil and Australia were most likely to feel that their fund manager listens to their concerns and acts upon them (21% each), however they were also most likely to say that the information they received was too complex to understand and respond to (17% each).
- An exact breakdown of how the companies their pension fund is invested in are performing financially was the most popular type of information respondents would find helpful to receive from their pension fund manager.**
 - Respondents in South Africa were the most likely to select this option with over two thirds of pension holders (66%) saying they would find it helpful, compared to only a third (33%) of respondents in Japan.
- Receiving alerts when a company their fund is invested in is accused of wrongdoing is a less popular option although popularity does differ between the countries surveyed.**
 - Under a fifth of respondents in Japan (18%) said that alerts for accusations of wrongdoing would be helpful, while over half (53%) of respondents in Brazil said that they would find such alerts helpful.

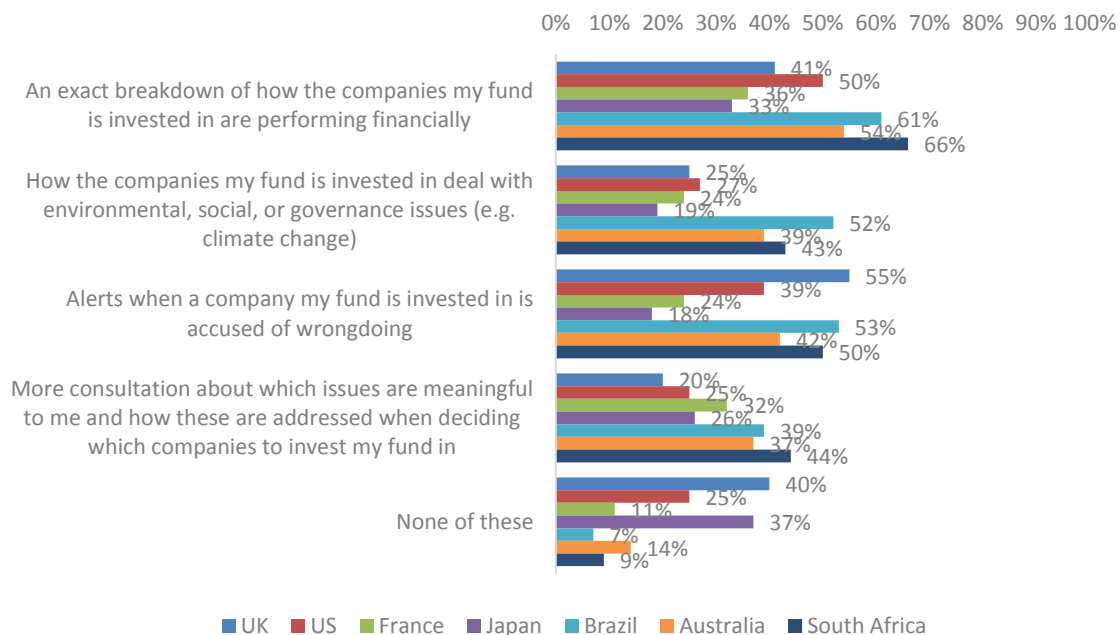


Figure 4. Which, if any, of the following types of information would you find it helpful to receive from your pension fund manager?

Editors Notes:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 8,287 adults; 2,121 in the UK, 1,119 in the US, 1,025 in France, 1,001 in Japan, 1,010 in Brazil, 1,010 in Australia and 1,001 in South Africa. Fieldwork was undertaken between 17th – 25th June 2015. The survey was carried out online. The figures have been weighted and are representative of all adults in each market (aged 18+).